

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Division regarding a medical fee dispute between the requestor and the respondent named above. This dispute was received on 4-21-03.

I. DISPUTE

Whether there should be additional reimbursement for inpatient hospitalization from 1-6-03 through 1-9-03.

II. FINDINGS

- a. The requestor billed \$65,582.80 for the inpatient admission. The itemized bill included date of service 12-31-02 for \$348.25 which was not included on TWCC-60 table, this amount will be deducted from total billed amount. $\$65,582.80 \text{ minus } \$348.25 = \$65,234.55$.
- b. The respondent reimbursed the requestor \$15,810.00 for the inpatient admission.
- c. The total amount in dispute per TWCC-60 is \$33,377.10.
- d. The respondent denied reimbursement based upon "TR – Reimbursed in Accordance with the Texas Hospital Fee Guideline; YM – The reimbursement for the service rendered has been determined to be fair and reasonable based on billing and payment research and is in accordance with Labor Code 413.011(D); and YN – Documentation has not been submitted to substantiate the service."

III. RELEVANT STATUTE

- a. Rule 134.401(b)(1)(B), "Inpatient services – Health care, as defined by the Texas Labor Code § 401.011(19), provided by an acute care hospital and rendered to a person who is admitted to an acute care hospital and whose length of stay exceeds 23 hours in any unit of the acute care hospital."
- b. Rule 134.401(b)(1)(F), "Stop-Loss Payment – An independent method of payment for an unusually costly or lengthy stay."
- c. Rule 134.401(b)(1)(G), "Stop-Loss Reimbursement Factor (SLRF) – A factor established by the Commission to be used as a multiplier to establish a reimbursement amount when total hospital charges have exceeded specific stop-loss thresholds."
- d. Rule 134.401(b)(1)(H), "Stop-Loss Threshold (SLT) – Thresholds of total charges established by the Commission, beyond which reimbursement is calculated by

multiplying the applicable Stop-Loss Reimbursement Factor by the total charges identifying that particular threshold.”

- e. Rule 134.401(c)(6), “Stop-Loss Method. Stop-loss is an independent reimbursement methodology established to ensure fair and reasonable compensation to the hospital for unusually costly services rendered during treatment to an injured worker. This methodology shall be used in place of and not in addition to the per diem based reimbursement system. The diagnosis codes specified in (c)(5) are exempt from the stop-loss methodology and the entire admission shall be reimbursed at a fair and reasonable rate.”
- f. Rule 134.401(c)(5), “Reimbursement for Certain ICD-9 Codes. When the following ICD-9 diagnosis codes are listed as the primary diagnosis, reimbursement for the entire admission shall be at a fair and reasonable rate:

Trauma (ICD-9 codes 800.0 – 959.50);
Burns (ICD-9 codes 940 – 949.9); and
Human Immunodeficiency Virus (HIV) (ICD-9 codes 042 – 044.9).”
- g. Rule 134.401(c)(6)(A)(i), “To be eligible for stop-loss payment for the total audited charges for a hospital admission must exceed \$40,000, the minimum stop-loss threshold.”
- h. Rule 134.401(c)(6)(A)(iii), “If audited charges exceed the stop-loss threshold, reimbursement for the entire admission shall be paid using a Stop-Loss Reimbursement Factor (SLRF) of 75%.
- i. Rule 134.401(c)(6)(A)(v), “Audited charges are those charges which remain after a bill review by the insurance carrier has been performed. Those charges which may be deducted are personal items (e.g., telephone, television). If an on-site audit is performed, charges for services which are not documented as rendered during the admission may be deducted. Items and services which are not related to the compensable injury may be deducted. The formula to obtain audited charges is as follows: Total Charges – Deducted Charges = Audited Charges.
- j. Rule 134.401(c)(6)(B), “Formula. Audited Charges X SLRF – WCRA.”

IV. RATIONALE

- a. The insurance carrier denied additional reimbursement based upon “YN – Documentation has not been submitted to substantiate the service.” The requestor submitted medical records and an itemized statement to support billed service.
- b. Based upon the EOB the total charges for disputed dates of service were \$65,234.55 for inpatient hospitalization. Per Rule 134.401(c)(6)(A)(i), to be eligible for stop-loss

payment the total audited charges for a hospital admission must exceed \$40,000.

Amount in dispute, \$65,234.55 exceeds \$40,000; therefore, the stop-loss methodology applies to this admission.

- c. The principal diagnosis noted on the UB-92 was 724.02. Per Rule 134.401(c)(6), diagnosis code 724.02 is not a diagnosis identified in section (c)(5). Therefore, the inpatient hospitalization is not exempt from the Stop-loss methodology.
- d. The insurance carrier did not perform an audit per Rule 134.401(c)(6)(A)(v) or 133.301.
- e. Per Rule 134.401(c)(6)(B), the Stop-Loss Formula results in an appropriate reimbursement of $\$65,234.55 \times 75\% = \$48,925.91$.
- e. The difference between amount due of \$48,925.91 and amount paid of \$15,810.00 = \$33,115.91. The requestor is entitled to additional reimbursement of \$33,115.91.

V. DECISION & ORDER

Based upon the review of the disputed healthcare services within this request, the Division has determined that the requestor **is** entitled to reimbursement for inpatient hospitalization in the amount of **\$ 33,115.91**. Pursuant to Sections 402.042, 413.016, 413.031, and 413.019 the Division hereby ORDERS the Respondent to remit **\$33,115.91** plus all accrued interest due at the time of payment to the Requestor within 20 days receipt of this Order.

The above Findings, Decision and Order are hereby issued this 19th day of August 2004.

Elizabeth Pickle
Medical Dispute Resolution Officer
Medical Review Division

Allen McDonald, Director
Medical Review Division